

Form 5471 (Rev. 5-2001)

**Schedule E Income, War Profits, and Excess Profits Taxes Paid or Accrued (See instructions.)**

(a) Name of country or U.S. possession	Amount of tax		
	(b) In foreign currency	(c) Conversion rate	(d) in U.S. dollars
1 U.S.			
2 BRAZIL	0.		0.
3			
4			
5			
6			
7			
8 Total..... ►			0.

**Schedule F Balance Sheet**

Important: Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See the instructions for an exception for DASTM corporations.

Assets	(a) Beginning of annual accounting period	(b) End of annual accounting period
1 Cash .....	114,000.	1,431,696.
2a Trade notes and accounts receivable.....	3,335,000.	3,072,647.
b Less allowance for bad debts.....	( -432,000. )	( -1,039,286. )
3 Inventories .....	2,187,000.	1,930,216.
4 Other current assets (attach schedule)..... SEE STATEMENT 3 .....	138,000.	209,205.
5 Loans to stockholders and other related persons.....		
6 Investment in subsidiaries (attach schedule) .....		
7 Other investments (attach schedule) ..... SEE STATEMENT 4 .....	4,928,000.	4,615,394.
8a Buildings and other depreciable assets .....	14,927,000.	11,715,096.
b Less accumulated depreciation .....	( 7,330,000. )	( 5,768,047. )
9a Depletable assets.....		
b Less accumulated depletion.....		
10 Land (net of any amortization) .....	470,000.	397,255.
11 Intangible assets:		
a Goodwill.....		
b Organization costs.....		
c Patents, trademarks, and other intangible assets.....		
d Less accumulated amortization for lines 11a, b, and c .....		
12 Other assets (attach schedule)..... SEE STATEMENT 5 .....	317,000.	73,556.
13 Total assets .....	19,518,000.	18,716,304.
Liabilities and Stockholders' Equity		
14 Accounts payable.....	1,677,000.	1,583,030.
15 Other current liabilities (attach schedule)..... SEE STATEMENT 6 .....	3,194,000.	3,920,215.
16 Loans from stockholders and other related persons.....	18,308,000.	21,110,638.
17 Other liabilities (attach schedule) ..... SEE STATEMENT 7 .....	3,692,000.	4,183,457.
18 Capital stock:		
a Preferred stock.....		
b Common stock.....		
19 Paid-in or capital surplus (attach reconciliation).....	47,167,000.	47,166,928.
20 Retained earnings .....		0.
21 Less cost of treasury stock.....	-54,520,000.	-59,247,964.
22 Total liabilities and stockholders' equity .....	19,518,000.	18,716,304.

Form 5471 (Rev. 5-2001)

**Schedule G Other Information**

Yes No

- 1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in a foreign partnership? .....
- If "Yes," see the instructions for required attachment.
- 2 During the tax year, did the foreign corporation own an interest in any trust? .....
- 3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners under Regulations sections 301.7701-2 and 301.7701-3? .....
- If "Yes," attach a statement listing the name, country under whose laws the entity was organized, and EIN (if any) of each entity.

**Schedule H Current Earnings and Profits** (See the instructions.)

Important: Enter the amounts on lines 1 through 5c in functional currency.

1 Current year net income or (loss) per foreign books of account.....	<b>1</b>	-3,456,042.
2 Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):		
a Capital gains or losses.....		
b Depreciation and amortization.....		
c Depletion.....		
d Investment or incentive allowance.....		
e Charges to statutory reserves.....		
f Inventory adjustments.....		
g Taxes.....		
h Other (attach schedule).....		
3 Total net additions.....	6.	0.
4 Total net subtractions.....	6.	0.
5a Current earnings and profits (line 1 plus line 3 minus line 4).....		5a -3,456,036.
b DASTM gain or (loss) for foreign corporations that use DASTM (see instructions).....		5b
c Combine lines 5a and 5b.....		5c -3,456,036.
d Current earnings and profits in U.S. dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations) (see instructions).....		5d -3,456,036.

Enter exchange rate used for line 5d ►

1.0000000

**Schedule I Summary of Shareholder's Income From Foreign Corporation** (See the instructions.)

1 Subpart F income (line 40b, Worksheet A in the instructions) .....	<b>1</b>	
2 Earnings invested in U.S. property (line 17, Worksheet B in the instructions).....	<b>2</b>	
3 Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions).....	<b>3</b>	
4 Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions) .....	<b>4</b>	
5 Factoring income .....	<b>5</b>	
6 Total of lines 1 through 5. Enter here and on your income tax return. See instructions .....	<b>6</b>	0.
7 Dividends received (translated at spot rate on payment date under section 989(b)(1)) .....	<b>7</b>	
8 Exchange gain or (loss) on a distribution of previously taxed income.....	<b>8</b>	

Yes No

- Was any income of the foreign corporation blocked? .....
- Did any such income become unblocked during the tax year (see section 964(b))? .....

If the answer to either question is "Yes," attach an explanation.

000180 09/03/2002

**SCHEDULE J  
(Form 5471)**(Rev. May 2001)  
Department of the Treasury  
Internal Revenue Service**Accumulated Earnings and Profits (E&P)  
of Controlled Foreign Corporation**

OMB No. 1545-0704

► Attach to Form 5471. See Instructions for Form 5471.

Name of person filing Form 5471

W. R. GRACE &amp; CO. &amp; SUBSIDIARIES

Identifying number  
65-0773649

Name of foreign corporation

GRACE BRASIL LTDA.

Important. Enter amounts in functional currency.	(a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance)	(b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance)	(c) Previously Taxed E&P (see instructions) (sections 959(c)(1) and (2) balances)			(d) Total Section 964(a) E&P (combine columns (a), (b), and (c))
			(i) Earnings Invested in U.S. Property	(ii) Earnings Invested in Excess Passive Assets	(iii) Subpart F Income	
1 Balance at beginning of year	- 8,981,701.	1,701.				- 8,980,000.
2a Current year E&P						
b Current year deficit in E&P	3,456,036.					
3 Total current and accumulated E&P not previously taxed (line 1 plus line 2a, minus line 2b)	- 12,437,737.	1,701.				
4 Amounts included under sec. 951(a) or reclassified under section 959(c) in current year						
5a Actual distributions or reclassifications of previously taxed E&P						
b Actual distributions of nonpreviously taxed E&P						
6a Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a)			0.	0.	0.	
b Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b)	- 12,437,737.	1,701.				
7 Balance at end of year. (Enter amount from line 6a / line 6b, whichever is applicable.)	- 12,437,737.	1,701.	0.	0.	0.	- 12,436,036.

For Paperwork Reduction Act Notice, see the instructions for Form 5471.

Schedule J (Form 5471) (Rev. 5-2001)

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000180 09/03/2002

**SCHEDULE M****(Form 5471)**

(Rev. May 2001)

Department of the Treasury  
Internal Revenue Service**Transactions Between Controlled Foreign Corporation  
and Shareholders or Other Related Persons**

OMB No. 1545-0704

► Attach to Form 5471. See Instructions for Form 5471.

Name of person filing Form 5471

W. R. GRACE &amp; CO. &amp; SUBSIDIARIES

Identifying number

65-0773649

Name of foreign corporation

GRACE BRASIL LTDA.

**Important:** Complete a separate Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See the instructions.

Enter the relevant functional currency and the exchange rate used throughout this schedule ► Brazil Dolar 1.000000

(a) Transactions of foreign corporation	(b) U.S. person filing this return	(c) Any domestic corporation or partnership controlled by U.S. person filing this return	(d) Any other foreign corporation or partnership controlled by U.S. person filing this return	(e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return)	(f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation
1 Sales of stock in trade (inventory).....		1,114.	1,457,700.		
2 Sales of property rights (patents, trademarks, etc.).....					
3 Compensation received for technical, managerial, engineering, construction, or like services.....					
4 Commissions received .....					
5 Rents, royalties, and license fees received.....					
6 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income). ....					
7 Interest received .....					
8 Premiums received for insurance or reinsurance.....					
9 Add lines 1 through 8 .....	0.	1,114.	1,457,700.	0.	0.
10 Purchases of stock in trade (inventory).....					
11 Purchases of tangible property other than stock in trade .....					
12 Purchases of property rights (patents, trademarks, etc.).....					
13 Compensation paid for technical, managerial, engineering, construction, or like services.....					
14 Commissions paid.....					
15 Rents, royalties, and license fees paid.....					
16 Dividends paid .....					
17 Interest paid .....		1,055,813.			
18 Add lines 10 through 17 .....	0.	1,055,813.	0.	0.	0.
19 Amounts borrowed (enter the maximum loan balance during the year) -- see instructions ...		18,967,504.	3,170,773.		
20 Amounts loaned (enter the maximum loan balance during the year) -- see instructions ...					

For Paperwork Reduction Act Notice, see the Instructions for Form 5471.

Schedule M (Form 5471) (Rev. 5-2001)

000180 09/03/2002  
W. R. GRACE & CO. & SUBSIDIARIES  
GRACE BRASIL LTDA.

Statement 1  
65-0773649

Tax Year Ended 12/31/2001

Form 5471 Page 2 Schedules

Other Income

Description	Functional Currency	U.S. Dollars
OTHER INCOME	-534,387	-534,387
Total	-534,387	-534,387

000180 09/03/2002  
W. R. GRACE & CO. & SUBSIDIARIES  
GRACE BRASIL LTDA.

Statement 2  
65-0773649

Tax Year Ended 12/31/2001

Form 5471 Page 2 Schedules

Other Deductions

Description	Functional Currency	U.S. Dollars
PROFESSIONAL, CORPORATION	610,201	610,201
CHARITABLE DEDUCTIONS	1,882	1,882
ADVERTISING	127,121	127,121
GENERAL STATIONARY AND SU	134,931	134,931
TELEPHONE COMMUNICATIONS	764,720	764,720
OPERATING COSTS	636	636
UTILITIES	65,520	65,520
REPAIRS AND MAINTENANCE	39,674	39,674
INSURANCE	64,498	64,498
SERVICE CHARGES	8,891	8,891
EXPENSE TRANSFERS	-78,854	-78,854
OTHER DEDUCTIONS	1,201,755	1,201,755
Total	2,940,975	2,940,975

Statement 3  
65-0773649

000180 09/03/2002  
W. R. GRACE & CO. & SUBSIDIARIES  
GRACE BRASIL LTDA.

Tax Year Ended 12/31/2001

Form 5471 Page 3 Schedules

## Schedule F, line 4 -- Other Current Assets

Detail Description	Beginning	Ending
OTHER PREPAYMENTS AND OTH	32,000	119,472
CURRENT DEFERRED TAXES	106,000	89,733
Total	138,000	209,205

Statement 4  
65-0773649

000180 09/03/2002  
W. R. GRACE & CO. & SUBSIDIARIES  
GRACE BRASIL LTDA.

Tax Year Ended 12/31/2001

Form 5471 Page 3 Schedules

Schedule F, line 7 -- Other Investments

Detail Description	Beginning	Ending
MISCELLANEOUS INVESTMENTS	4,928,000	4,615,394
Total	4,928,000	4,615,394

000180 09/03/2002  
W. R. GRACE & CO. & SUBSIDIARIES  
GRACE BRASIL LTDA.

Statement 5  
65-0773649

Tax Year Ended 12/31/2001

Form 5471 Page 3 Schedules

Schedule F, line 12 -- Other Assets

Detail Description	Beginning	Ending
DEFERRED CHARGES	317,000	74,729
OTHER ASSETS		-1,173
Total	317,000	73,556

000180 09/03/2002  
W. R. GRACE & CO. & SUBSIDIARIES  
GRACE BRASIL LTDA.

Statement 6  
65-0773649

Tax Year Ended 12/31/2001

Form 5471 Page 3 Schedules

Schedule F, line 15 -- Other Current Liabilities

Detail Description	Beginning	Ending
ACCEPTANCE PAYABLE	468,000	156,923
ACCRUED CURRENT LIABILITIES	764,000	563,068
INDEMNITIES, PENSIONS AND	1,726,000	1,367,847
INTRA CORPORATE	-7,000	-4,832
INTER CORPORATE BAL. WITH	243,000	1,838,198
DEFERRED INCOME		-989
Total	3,194,000	3,920,215

000180 09/03/2002  
W. R. GRACE & CO. & SUBSIDIARIES  
GRACE BRASIL LTDA.

Statement 7  
65-0773649

Tax Year Ended 12/31/2001

Form 5471 Page 3 Schedules

Schedule F, line 17 -- Other Liabilities

Detail Description	Beginning	Ending
RESERVES	3,692,000	4,183,457
Total	3,692,000	4,183,457

000262 09/03/2002 FILED PURSUANT TO REV. PROC. 92-70 FOR DORMANT FOREIGN CORPORATIONS

OMB No. 1545-0704

Form 5471

(Rev. May 2001)

Department of the Treasury  
Internal Revenue Service**Information Return of U.S. Persons With  
Respect To Certain Foreign Corporations**

► See separate instructions.

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning 01/01, 2001, and ending 12/31, 2001

File In Duplicate  
(see When and Where To File in the Instructions)

Name of person filing this return

W. R. GRACE &amp; CO. &amp; SUBSIDIARIES

Number, street, &amp; room or suite no. (or P.O. box no. if mail is not delivered to street address)

5400 BROKEN SOUND BLVD. - SUITE 300

City or town, state, and ZIP code

BOCA RATON, FL 33487

Filer's tax year beginning 01/01, 2001, and ending 12/31, 2001

**A** Identifying number

65-0773649

**B** Category of filer (See instructions. Check applicable box(es))1  2  3  4  5 **C** Enter the total percentage of the foreign corporation's voting stock

you owned at the end of its annual accounting period

100%

**D** Person(s) on whose behalf this information return is filed:

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director

**Important:** Fill in all applicable lines and schedules. All information must be in the English language. All amounts must be stated in U.S. dollars unless otherwise indicated.**1a** Name and address of foreign corporation

GRACE DAVISON LTDA.

AV MOFARREJ 619 VILA LEOPOLDINA  
SAO PAULO 05311-902 BRAZIL**b** Employer identification number, if any**c** Country under whose laws incorporated  
BRAZIL

<b>d</b> Date of incorporation	<b>e</b> Principal place of busn.	<b>f</b> Principal business activity code number	<b>g</b> Principal business activity	<b>h</b> Functional currency
5/27/98				Brazil Dollar

**2** Provide the following information for the foreign corporation's accounting period stated above.

<b>a</b> Name, address, and identifying number of branch office or agent (if any) in the United States	<b>b</b> If a U.S. income tax return was filed, please show:	
	(i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)

  

<b>c</b> Name and address of foreign corporation's statutory or resident agent in country of incorporation	<b>d</b> Name and address (including corporate department, if applicable) of person (or persons) with custody of books & records of the foreign corporation, and the location of such books and records, if different	

**Schedule A Stock of the Foreign Corporation****Part I — ALL Classes of Stock**

(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	(ii) End of annual accounting period

**Part II — Additional Information for Preferred Stock**

(To be completed only by Category 1 filers for foreign personal holding companies)

(a) Description of each class of Preferred stock (Note: This description should match the corresponding description entered in Part I, column (a).)	(b) Par value in functional currency	(c) Rate of dividend	(d) Indicate whether stock is cumulative or noncumulative

For Paperwork Reduction Act Notice, see the separate instructions.

Form 5471 (Rev. 5-2001)

000303	09/03/2002	FILED PURSUANT TO REV. PROC. 92-70 FOR DORMANT FOREIGN CORPORATIONS	OMB No. 1545-0704
<b>Form 5471</b>		<b>Information Return of U.S. Persons With Respect To Certain Foreign Corporations</b>	
(Rev. May 2001)		► See separate instructions.	
Department of the Treasury Internal Revenue Service		Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning 01/01, 2001, and ending 12/31, 2001	

Name of person filing this return <b>W. R. GRACE &amp; CO. &amp; SUBSIDIARIES</b>	<b>A Identifying number</b> 65-0773649
Number, street, & room or suite no. (or P.O. box no. if mail is not delivered to street address) <b>5400 BROKEN SOUND BLVD. - SUITE 300</b>	<b>B Category of filer (See instructions. Check applicable box(es)):</b> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input checked="" type="checkbox"/> 5 <input checked="" type="checkbox"/>
City or town, state, and ZIP code <b>BOCA RATON, FL 33487</b>	<b>C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period</b> 100%
Filer's tax year beginning 01/01, 2001, and ending 12/31, 2001	

<b>D Person(s) on whose behalf this information return is filed:</b>			
(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)
			Shareholder    Officer    Director

**Important:** Fill in all applicable lines and schedules. All information must be in the English language. All amounts must be stated in U.S. dollars unless otherwise indicated.

<b>1a Name and address of foreign corporation</b> <b>PEADCO-ENGENHARIA, COMERC</b> <b>AVENINDA MOFARREJ, 619-VILA LEOPOLDINA,</b> <b>SAO PAULO, SP, BRAZIL CEP: 05311-902</b>	<b>b Employer identification number, if any</b>			
	<b>c Country under whose laws incorporated</b> <b>BRAZIL</b>			
<b>d Date of incorporation</b> 11/14/73	<b>e Principal place of busn.</b>	<b>f Principal business activity code number</b>	<b>g Principal business activity</b>	<b>h Functional currency</b> Brazil Dollar

<b>2 Provide the following information for the foreign corporation's accounting period stated above.</b>				
<b>a Name, address, and identifying number of branch office or agent (if any) in the United States</b>			<b>b If a U.S. income tax return was filed, please show:</b>	
			<b>(i) Taxable income or (loss)</b>	<b>(ii) U.S. income tax paid (after all credits)</b>
<b>c Name and address of foreign corporation's statutory or resident agent in country of incorporation</b>			<b>d Name and address (including corporate department, if applicable) of person (or persons) with custody of books &amp; records of the foreign corporation, and the location of such books and records, if different</b>	

#### Schedule A Stock of the Foreign Corporation

##### Part I — ALL Classes of Stock

(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	(ii) End of annual accounting period

##### Part II — Additional Information for Preferred Stock

(To be completed only by Category 1 filers for foreign personal holding companies)

(a) Description of each class of Preferred stock (Note: This description should match the corresponding description entered in Part I, column (a).)	(b) Par value in functional currency	(c) Rate of dividend	(d) Indicate whether stock is cumulative or noncumulative

For Paperwork Reduction Act Notice, see the separate instructions.

Form 5471 (Rev. 5-2001)

000874 09/03/2002

Form 5471

(Rev. May 2001)

Department of the Treasury  
Internal Revenue Service**Information Return of U.S. Persons With  
Respect To Certain Foreign Corporations**

► See separate instructions.

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning 01/01, 2001, and ending 12/31, 2001

OMB No. 1545-0704

File In Duplicate  
(see When and  
Where To File in the  
instructions)

Name of person filing this return

W. R. GRACE &amp; CO. &amp; SUBSIDIARIES

Number, street, &amp; room or suite no. (or P.O. box no. if mail is not delivered to street address)

5400 BROKEN SOUND BLVD. - SUITE 300

City or town, state, and ZIP code

BOCA RATON, FL 33487

Filer's tax year beginning 01/01, 2001, and ending 12/31, 2001

A Identifying number

65-0773649

B Category of filer (See instructions. Check applicable box(es))

1  2  3  4  5 

C Enter the total percentage of the foreign corporation's voting stock

you owned at the end of its annual accounting period

100 %

D Person(s) on whose behalf this information return is filed:

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director

Important: Fill in all applicable lines and schedules. All information must be in the English language. All amounts must be stated in U.S. dollars unless otherwise indicated.

## 1a Name and address of foreign corporation

GEC DIVESTMENT CORPORATIO  
#2000, 10235 101 STREET  
EDMONTON, ALBERTA, CANADA T5J 3G1

b Employer identification number, if any

C Country under whose laws incorporated  
CANADA

d Date of incorporation	e Principal place of busn.	f Principal business activity code number	g Principal business activity	h Functional currency
07/18/72	CANADA		INACTIVE	Canadian Dollar

## 2 Provide the following information for the foreign corporation's accounting period stated above.

a Name, address, and identifying number of branch office or agent (if any) in the United States	b If a U.S. income tax return was filed, please show: (i) Taxable income or (loss) (ii) U.S. income tax paid (after all credits)
c Name and address of foreign corporation's statutory or resident agent in country of incorporation	d Name and address (including corporate department, if applicable) of person (or persons) with custody of books & records of the foreign corporation, and the location of such books and records, if different P LEBOURDAIS WR GRACE CANADA 2365 DIXIE ROAD MISSISSAUGA, CANADA

**Schedule A Stock of the Foreign Corporation****Part I — ALL Classes of Stock**

(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	(ii) End of annual accounting period
COMMON	500	500

**Part II — Additional Information for Preferred Stock**

(To be completed only by Category 1 filers for foreign personal holding companies)

(a) Description of each class of Preferred stock (Note: This description should match the corresponding description entered in Part I, column (a).)	(b) Par value in functional currency	(c) Rate of dividend	(d) Indicate whether stock is cumulative or noncumulative

For Paperwork Reduction Act Notice, see the separate instructions.

CAA 1 54711

NTF 35886

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Form 5471 (Rev. 5-2001)

Form 5471 (Rev. 5-2001)

**Schedule B U.S. Shareholders of Foreign Corporation** (See the instructions.)

**Schedule C      Income Statement (See the instructions.)**

**Important:** Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for DASTM corporations.

		Functional Currency	U.S. Dollars
I N C O M E	1a Gross receipts or sales .....		
	b Returns and allowances .....		
	c Subtract line 1b from line 1a .....		
	2 Cost of goods sold .....		
	3 Gross profit (subtract line 2 from line 1c) .....		
	4 Dividends .....		
	5 Interest .....		
	6 Gross rents, royalties, and license fees .....		
	7 Net gain or (loss) on sale of capital assets .....		
D E D U C T I O N S	8 Other income (attach schedule) .....		
	9 Total income (add lines 3 through 8) .....		
	10 Compensation not deducted elsewhere .....		
	11 Rents, royalties, and license fees .....		
	12 Interest .....		
	13 Depreciation not deducted elsewhere .....		
	14 Depletion .....		
	15 Taxes (exclude provision for income, war profits, and excess profits taxes) .....		
	16 Other deductions (attach schedule -- exclude provision for income, war profits, and excess profits taxes) .....		
I N C O M E T	17 Total deductions (add lines 10 through 16) .....		
	18 Net income or (loss) before extraordinary items, prior period adjustments, and the provision for income, war profits, and excess profits taxes (subtract line 17 from line 9) .....		
	19 Extraordinary items and prior period adjustments (see instructions) .....		
	20 Provision for income, war profits, and excess profits taxes (see instructions) .....		
	21 Current year net income or (loss) per books (line 18 plus line 19 minus line 20) .....		
	18	0.	0.
	19		
	20		
	21	0.	0.

Form 5471 (Rev. 5-2001)

**Schedule E Income, War Profits, and Excess Profits Taxes Paid or Accrued (See instructions.)**

(a) Name of country or U.S. possession	Amount of tax		
	(b) In foreign currency	(c) Conversion rate	(d) In U.S. dollars
1 U.S.			
2			
3			
4			
5			
6			
7			
8 Total.....			0.

**Schedule F Balance Sheet**

Important: Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See the instructions for an exception for DASTM corporations.

Assets	(a) Beginning of annual accounting period	(b) End of annual accounting period
1 Cash .....	1	
2a Trade notes and accounts receivable .....	2a	
b Less allowance for bad debts .....	2b ( ) ( )	
3 Inventories .....	3	
4 Other current assets (attach schedule) .....	4 0.	0.
5 Loans to stockholders and other related persons .....	5 0.	
6 Investment in subsidiaries (attach schedule) .....	6	
7 Other investments (attach schedule) .....	7 0.	0.
8a Buildings and other depreciable assets .....	8a	
b Less accumulated depreciation .....	8b ( ) ( )	
9a Depletable assets .....	9a	
b Less accumulated depletion .....	9b ( ) ( )	
10 Land (net of any amortization) .....	10	
11 Intangible assets:		
a Goodwill .....	11a	
b Organization costs .....	11b	
c Patents, trademarks, and other intangible assets .....	11c	
d Less accumulated amortization for lines 11a, b, and c .....	11d ( ) ( )	
12 Other assets (attach schedule) .....	12 0.	0.
13 Total assets .....	13 0.	0.
Liabilities and Stockholders' Equity		
14 Accounts payable .....	14	
15 Other current liabilities (attach schedule) .....	15 SEE STATEMENT. 1 136,372.	-289,882.
16 Loans from stockholders and other related persons .....	16 255,532.	-4,959,964.
17 Other liabilities (attach schedule) .....	17 0.	0.
18 Capital stock:		
a Preferred stock .....	18a	
b Common stock .....	18b	0.
19 Paid-in or capital surplus (attach reconciliation) .....	19	
20 Retained earnings .....	20 -391,904.	5,249,846.
21 Less cost of treasury stock .....	21 ( ) ( )	
22 Total liabilities and stockholders' equity .....	22 0.	0.

Form 5471 (Rev. 5-2001)

**Schedule G Other Information**

Yes No

- 1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in a foreign partnership? .....
- If "Yes," see the instructions for required attachment.
- 2 During the tax year, did the foreign corporation own an interest in any trust? .....
- 3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners under Regulations sections 301.7701-2 and 301.7701-3? .....
- If "Yes," attach a statement listing the name, country under whose laws the entity was organized, and EIN (if any) of each entity.

**Schedule H Current Earnings and Profits** (See the instructions.)

Important: Enter the amounts on lines 1 through 5c in functional currency.

1 Current year net income or (loss) per foreign books of account.....	1	
2 Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):		
a Capital gains or losses .....		
b Depreciation and amortization .....		
c Depletion .....		
d Investment or incentive allowance .....		
e Charges to statutory reserves .....		
f Inventory adjustments .....		
g Taxes .....		
h Other (attach schedule) .....	0.	0.
3 Total net additions .....	0.	0.
4 Total net subtractions.....		
5a Current earnings and profits (line 1 plus line 3 minus line 4) .....	5a	0.
b DASTM gain or (loss) for foreign corporations that use DASTM (see instructions) .....	5b	
c Combine lines 5a and 5b.....	5c	0.
d Current earnings and profits in U.S. dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations) (see instructions).....	5d	0.
Enter exchange rate used for line 5d ►		0.6450300

**Schedule I Summary of Shareholder's Income From Foreign Corporation** (See the instructions.)

1 Subpart F income (line 40b, Worksheet A in the instructions) .....	1	
2 Earnings invested in U.S. property (line 17, Worksheet B in the instructions).....	2	
3 Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions) .....	3	
4 Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions) .....	4	
5 Factoring income .....	5	
6 Total of lines 1 through 5. Enter here and on your income tax return. See instructions .....	6	0.
7 Dividends received (translated at spot rate on payment date under section 989(b)(1)) .....	7	
8 Exchange gain or (loss) on a distribution of previously taxed income. ....	8	

Yes No

- Was any income of the foreign corporation blocked? .....
- Did any such income become unblocked during the tax year (see section 964(b))? .....

If the answer to either question is "Yes," attach an explanation.

000874 09/03/2002

**SCHEDULE J  
(Form 5471)**(Rev. May 2001)  
Department of the Treasury  
Internal Revenue Service**Accumulated Earnings and Profits (E&P)  
of Controlled Foreign Corporation**

OMB No. 1545-0704

► Attach to Form 5471. See Instructions for Form 5471.

Name of person filing Form 5471

W. R. GRACE &amp; CO. &amp; SUBSIDIARIES

Identifying number  
65-0773649

Name of foreign corporation

GEC DIVESTMENT CORPORATIO

Important. Enter amounts in functional currency.	(a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance)	(b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance)	(c) Previously Taxed E&P (see instructions) (sections 959(c)(1) and (2) balances)			(d) Total Section 964(a) E&P (combine columns (a), (b), and (c))
			(i) Earnings Invested in U.S. Property	(ii) Earnings Invested in Excess Passive Assets	(iii) Subpart F Income	
1 Balance at beginning of year	3,620,144	8,298,237				11,918,381.
2a Current year E&P						
b Current year deficit in E&P						
3 Total current and accumulated E&P not previously taxed (line 1 plus line 2a, minus line 2b)	3,620,144	8,298,237				
4 Amounts included under sec. 951(a) or reclassified under section 959(c) in current year						
5a Actual distributions or reclassifications of previously taxed E&P						
b Actual distributions of nonpreviously taxed E&P						
6a Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a)			0.	0.	0.	
b Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b)	3,620,144	8,298,237				
7 Balance at end of year. (Enter amount from line 6a / line 6b, whichever is applicable.)	3,620,144	8,298,237	0.	0.	0.	11,918,381.

For Paperwork Reduction Act Notice, see the instructions for Form 5471.

Schedule J (Form 5471) (Rev. 5-2001)

CAA 1 5471J1 NTF 35690

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000874 09/03/2002

**SCHEDULE M  
(Form 5471)  
(Rev. May 2001)**Department of the Treasury  
Internal Revenue Service**Transactions Between Controlled Foreign Corporation  
and Shareholders or Other Related Persons**

OMB No. 1545-0704

► Attach to Form 5471. See Instructions for Form 5471.

Name of person filing Form 5471

W. R. GRACE &amp; CO. &amp; SUBSIDIARIES

Identifying number  
65-0773649

Name of foreign corporation

GEC DIVESTMENT CORPORATIO

**Important:** Complete a separate Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See the instructions.

Enter the relevant functional currency and the exchange rate used throughout this schedule ► Canadian Dollar 0.6450300

(a) Transactions of foreign corporation	(b) U.S. person filing this return	(c) Any domestic corporation or partnership controlled by U.S. person filing this return	(d) Any other foreign corporation or partnership controlled by U.S. person filing this return	(e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return)	(f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation
1 Sales of stock in trade (inventory).....					
2 Sales of property rights (patents, trademarks, etc.).....					
3 Compensation received for technical, managerial, engineering, construction, or like services.....					
4 Commissions received .....					
5 Rents, royalties, and license fees received.....					
6 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income).....					
7 Interest received .....					
8 Premiums received for insurance or reinsurance.....					
9 Add lines 1 through 8 .....	0.	0.	0.	0.	0.
10 Purchases of stock in trade (inventory).....					
11 Purchases of tangible property other than stock in trade .....					
12 Purchases of property rights (patents, trademarks, etc.).....					
13 Compensation paid for technical, managerial, engineering, construction, or like services.....					
14 Commissions paid.....					
15 Rents, royalties, and license fees paid.....					
16 Dividends paid .....					
17 Interest paid .....					
18 Add lines 10 through 17 .....	0.	0.	0.	0.	0.
19 Amounts borrowed (enter the maximum loan balance during the year) -- see instructions .....			7,955,000.		
20 Amounts loaned (enter the maximum loan balance during the year) -- see instructions .....					

For Paperwork Reduction Act Notice, see the Instructions for Form 5471.

Schedule M (Form 5471) (Rev. 5-2001)

Statement 1  
65-0773649

000874 09/03/2002  
W. R. GRACE & CO. & SUBSIDIARIES  
GEC DIVESTMENT CORPORATIO

Tax Year Ended 12/31/2001

Form 5471 Page 3 Schedules

## Schedule F, line 15 --- Other Current Liabilities

Detail Description	Beginning	Ending
INCOME TAXES PAYABLE	9,268	-350,324
ACCRUED CURRENT LIABILITI	127,104	120,104
DEFERRED INCOME		-48,741
INTER CORPORATE BAL. WITH		-10,921
Total	136,372	-289,882

**Form 5471**

(Rev. May 2001)

Department of the Treasury  
Internal Revenue Service**Information Return of U.S. Persons With  
Respect To Certain Foreign Corporations**

► See separate Instructions.

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning 01/01 , 2001 , and ending 12/31 , 2001

OMB No. 1545-0704

File in Duplicate  
(see When and  
Where To File in the  
Instructions)

Name of person filing this return

W. R. GRACE &amp; CO. &amp; SUBSIDIARIES

Number, street, &amp; room or suite no. (or P.O. box no. if mail is not delivered to street address)

5400 BROKEN SOUND BLVD. - SUITE 300

City or town, state, and ZIP code

BOCA RATON, FL 33487

Filer's tax year beginning 01/01 , 2001 , and ending 12/31 , 2001

**A Identifying number**

65-0773649

**B Category of filer (See instructions. Check applicable box(es)):**1  2  3  4  5 **C Enter the total percentage of the foreign corporation's voting stock  
you owned at the end of its annual accounting period 100.000000 %****D Person(s) on whose behalf this information return is filed:**

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director

Important: Fill in all applicable lines and schedules. All information must be in the English language. All amounts must be stated in U.S. dollars unless otherwise indicated.

**1a Name and address of foreign corporation**

GRACE CANADA, INC.

294 CLEMENTS ROAD

AJAX, ONT, CANADA L1S 3C6

**b Employer identification number, if any**

CANADA

d Date of incorporation	e Principal place of busn.	f Principal business activity code number	g Principal business activity	h Functional currency
11/25/97	CANADA	325900	OTHER CHEMICAL PRODUCTS MFG	Canadian Dollar

**2 Provide the following information for the foreign corporation's accounting period stated above.**

a Name, address, and identifying number of branch office or agent (if any) in the United States  NONE	b If a U.S. income tax return was filed, please show:  (i) Taxable income or (loss)  (ii) U.S. income tax paid (after all credits)
c Name and address of foreign corporation's statutory or resident agent in country of incorporation  BAKER & MCKENZIE BCE PLACE, 181 BAY STREET STE 2100 TORONTO, ONTARIO, CANADA M5J 2T3	d Name and address (including corporate department, if applicable) of person (or persons) with custody of books & records of the foreign corporation, and the location of such books and records, if different  PIERRE LE BOURDAIS

**Schedule A Stock of the Foreign Corporation****Part I — ALL Classes of Stock**

(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	(ii) End of annual accounting period
COMMON	1,000	1,000

**Part II — Additional Information for Preferred Stock**

(To be completed only by Category 1 filers for foreign personal holding companies)

(a) Description of each class of Preferred stock  (Note: This description should match the corresponding description entered in Part I, column (a).)	(b) Par value in functional currency	(c) Rate of dividend	(d) Indicate whether stock is cumulative or noncumulative

For Paperwork Reduction Act Notice, see the separate instructions.

Form 5471 (Rev. 5-2001)

Form 5471 (Rev. 5-2001)

**Schedule B U.S. Shareholders of Foreign Corporation** (See the instructions.)

(a) Name, address, and identifying number of shareholder	(b) Description of each class of stock held by shareholder <b>(Note:</b> This description should match the corresponding description entered in Schedule A, Part I, column (a).)	(c) Number of shares held at beginning of annual accounting period	(d) Number of shares held at end of annual accounting period	(e) Pro rata share of subpart F income (enter as a percentage)
*W.R. GRACE & CO-CONN 7500 GRACE DRIVE COLUMBIA, MD 21044 13-5114230	COMMON	1,000	1,000	
*A WHOLLY OWNED SUBSIDIARY OF W. R. GRACE & CO.				
				100

**Schedule C      Income Statement (See the instructions.)**

**Important:** Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for DASTM corporations.

		Functional Currency	U.S. Dollars
I N C O M E	1a Gross receipts or sales .....	143,338,429.	92,457,587.
	b Returns and allowances .....	2,406,266.	1,552,114.
	c Subtract line 1b from line 1a .....	140,932,163.	90,905,473.
	2 Cost of goods sold .....	101,380,710.	65,393,600.
	3 Gross profit (subtract line 2 from line 1c) .....	39,551,453.	25,511,873.
	4 Dividends .....	91,754.	59,184.
	5 Interest .....		
	6 Gross rents, royalties, and license fees .....		
	7 Net gain or (loss) on sale of capital assets .....		
D E D U C T I O N S	8 Other income (attach schedule) .....	SEE STATEMENT 1	
	9 Total income (add lines 3 through 8) .....	43,494,595.	28,055,318.
	10 Compensation not deducted elsewhere .....	12,152,595.	7,838,788.
	11 Rents, royalties, and license fees .....	7,329,069.	4,727,469.
	12 Interest .....	97,012.	62,576.
	13 Depreciation not deducted elsewhere .....	5,281,088.	3,406,460.
	14 Depletion .....	496,720.	320,399.
	15 Taxes (exclude provision for income, war profits, and excess profits taxes) .....		
	16 Other deductions (attach schedule --- exclude provision for income, war profits, and excess profits taxes) .....	SEE STATEMENT 2	
I N C O M E	17 Total deductions (add lines 10 through 16) .....	1,008,217.	650,329.
	18 Net income or (loss) before extraordinary items, prior period adjustments, and the provision for income, war profits, and excess profits taxes (subtract line 17 from line 9) .....	26,364,701.	17,006,021.
	19 Extraordinary items and prior period adjustments (see instructions) .....		
	20 Provision for income, war profits, and excess profits taxes (see instructions) .....		
	21 Current year net income or (loss) per books (line 18 plus line 19 minus line 20) .....	10,958,978.	7,068,871.

Form 5471 (Rev. 5-2001)

**Schedule E Income, War Profits, and Excess Profits Taxes Paid or Accrued (See instructions.)**

(a) Name of country or U.S. possession	Amount of tax		
	(b) In foreign currency	(c) Conversion rate	(d) In U.S. dollars
1 U.S.			
2 CANADA	5,717,218.	0.6486021	3,708,200.
3			
4			
5			
6			
7			
8 Total.....			3,708,200.

**Schedule F Balance Sheet**

Important: Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See the instructions for an exception for DASTM corporations.

Assets	(a) Beginning of annual accounting period	(b) End of annual accounting period
1 Cash .....	13,242,710.	11,291,730.
2a Trade notes and accounts receivable.....	5,941,284.	3,806,189.
b Less allowance for bad debts.....		
3 Inventories .....	( ) ( -595,662.)	
4 Other current assets (attach schedule).....	5,711,026.	7,112,594.
5 Loans to stockholders and other related persons.....	47,375.	-29,735.
6 Investment in subsidiaries (attach schedule) .....	0.	
7 Other investments (attach schedule) .....	0.	0.
8a Buildings and other depreciable assets.....	20,214,566.	61,060,663.
b Less accumulated depreciation .....	(1,333,969. ) ( 41,863,239.)	
9a Depletable assets.....	( ) ( )	
b Less accumulated depletion.....		
10 Land (net of any amortization).....	122,657.	130,608.
11 Intangible assets:		
a Goodwill.....		
b Organization costs.....		
c Patents, trademarks, and other intangible assets.....	501,612.	
d Less accumulated amortization for lines 11a, b, and c .....	( ) ( )	
12 Other assets (attach schedule).....	2,215,052.	2,871,166.
13 Total assets .....	46,662,313.	44,975,638.
Liabilities and Stockholders' Equity		
14 Accounts payable.....	2,783,857.	2,613,981.
15 Other current liabilities (attach schedule).....	3,889,741.	-2,349,812.
16 Loans from stockholders and other related persons.....	13,024,308.	9,795,936.
17 Other liabilities (attach schedule).....	1,407,255.	4,115,552.
18 Capital stock:		
a Preferred stock.....		
b Common stock.....		
19 Paid-in or capital surplus (attach reconciliation).....	284,765.	268,797.
20 Retained earnings .....	25,272,387.	30,531,184.
21 Less cost of treasury stock.....	( ) ( )	0.
22 Total liabilities and stockholders' equity .....	46,662,313.	44,975,638.

**Schedule G Other Information**

- |  | Yes                      | No                                  |
|--|--------------------------|-------------------------------------|
| 1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in a foreign partnership? .....  | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| If "Yes," see the instructions for required attachment.  |                          |                                     |
| 2 During the tax year, did the foreign corporation own an interest in any trust? .....   | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners under Regulations sections 301.7701-2 and 301.7701-3? ..... | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| If "Yes," attach a statement listing the name, country under whose laws the entity was organized, and EIN (if any) of each entity.   |                          |                                     |

**Schedule H Current Earnings and Profits** (See the instructions.)

Important: Enter the amounts on lines 1 through 5c in functional currency.

1 Current year net income or (loss) per foreign books of account.....	1	10,958,978.
2 Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):		
a Capital gains or losses .....		
b Depreciation and amortization .....		
c Depletion .....		
d Investment or incentive allowance .....		
e Charges to statutory reserves.....		
f Inventory adjustments .....		
g Taxes.....		
h Other (attach schedule).....	6.	0.
3 Total net additions .....	453,698.	
4 Total net subtractions.....	453,704.	0.
5a Current earnings and profits (line 1 plus line 3 minus line 4) .....		
b DASTM gain or (loss) for foreign corporations that use DASTM (see instructions) .....		
c Combine lines 5a and 5b.....		
d Current earnings and profits in U.S. dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations) (see instructions). ....		

Enter exchange rate used for line 5d ►

0.6450300

5a	11,412,682.
5b	
5c	11,412,682.
5d	7,361,522.

**Schedule I Summary of Shareholder's Income From Foreign Corporation** (See the instructions.)

1 Subpart F income (line 40b, Worksheet A in the instructions) .....	1	
2 Earnings invested in U.S. property (line 17, Worksheet B in the instructions).....	2	
3 Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions).....	3	
4 Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions) .....	4	
5 Factoring income .....	5	
6 Total of lines 1 through 5. Enter here and on your income tax return. See instructions .....	6	0.
7 Dividends received (translated at spot rate on payment date under section 989(b)(1)) .....	7	
8 Exchange gain or (loss) on a distribution of previously taxed income.....	8	

- |   |                          |                                     |
|---|--------------------------|-------------------------------------|
| ● Was any income of the foreign corporation blocked? .....                                | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| ● Did any such income become unblocked during the tax year (see section 964(b))?. . . . . | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

If the answer to either question is "Yes," attach an explanation.

**SCHEDULE J**  
**(Form 5471)**(Rev. May 2001)  
Department of the Treasury  
Internal Revenue Service**Accumulated Earnings and Profits (E&P)  
of Controlled Foreign Corporation**

OMB No. 1545-0704

► Attach to Form 5471. See Instructions for Form 5471.

Name of person filing Form 5471

W. R. GRACE &amp; CO. &amp; SUBSIDIARIES

Identifying number

65-0773649

Name of foreign corporation

GRACE CANADA, INC.

Important. Enter amounts in functional currency.	(a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance)	(b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance)	(c) Previously Taxed E&P (see instructions) (sections 959(c)(1) and (2) balances)			(d) Total Section 964(a) E&P (combine columns (a), (b), and (c))
			(i) Earnings Invested in U.S. Property	(ii) Earnings Invested in Excess Passive Assets	(iii) Subpart F Income	
1 Balance at beginning of year	29,045,214.	3,070,205.				32,115,419.
2a Current year E&P	11,412,682.					
b Current year deficit in E&P						
3 Total current and accumulated E&P not previously taxed (line 1 plus line 2a, minus line 2b)	40,457,896.	3,070,205.				
4 Amounts included under sec. 951(a) or reclassified under section 959(c) in current year						
5a Actual distributions or reclassifications of previously taxed E&P						
b Actual distributions of nonpreviously taxed E&P						
6a Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a)			0.	0.	0.	
b Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b)	40,457,896.	3,070,205.				
7 Balance at end of year. (Enter amount from line 6a / line 6b, whichever is applic.)	40,457,896.	3,070,205.	0.	0.	0.	43,528,101.

For Paperwork Reduction Act Notice, see the Instructions for Form 5471.

Schedule J (Form 5471) (Rev. 5-2001)

**SCHEDULE M**

(Form 5471)

(Rev. May 2001)

Department of the Treasury

Internal Revenue Service

**Transactions Between Controlled Foreign Corporation  
and Shareholders or Other Related Persons**

OMB No. 1545-0704

► Attach to Form 5471. See Instructions for Form 5471.

Name of person filing Form 5471

W. R. GRACE &amp; CO. &amp; SUBSIDIARIES

Identifying number

65-0773649

Name of foreign corporation

GRACE CANADA, INC.

**Important:** Complete a separate Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See the instructions.

Enter the relevant functional currency and the exchange rate used throughout this schedule ► Canadian Dollar .648

(a) Transactions of foreign corporation	(b) U.S. person filing this return	(c) Any domestic corporation or partnership controlled by U.S. person filing this return	(d) Any other foreign corporation or partnership controlled by U.S. person filing this return	(e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return)	(f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation
1 Sales of stock in trade (inventory).....		61,690,000.	221,360.		
2 Sales of property rights (patents, trademarks, etc.).....					
3 Compensation received for technical, managerial, engineering, construction, or like services .....					
4 Commissions received .....					
5 Rents, royalties, and license fees received.....					
6 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income). ....					
7 Interest received .....			160,507.		
8 Premiums received for insurance or reinsurance.....					
9 Add lines 1 through 8 .....	0.	61,690,000.	381,867.	0.	0.
10 Purchases of stock in trade (inventory).....		20,495,591.			
11 Purchases of tangible property other than stock in trade .....					
12 Purchases of property rights (patents, trademarks, etc.). ....					
13 Compensation paid for technical, managerial, engineering, construction, or like services.....					
14 Commissions paid.....					
15 Rents, royalties, and license fees paid.....		2,991,121.			
16 Dividends paid .....					
17 Interest paid .....			305,875.		
18 Add lines 10 through 17 .....	0.	23,486,712.	305,875.	0.	0.
19 Amounts borrowed (enter the maximum loan balance during the year) -- see instructions ...			15,965,840.		
20 Amounts loaned (enter the maximum loan balance during the year) -- see instructions ...			6,092,826.		

For Paperwork Reduction Act Notice, see the Instructions for Form 5471.

Schedule M (Form 5471) (Rev. 5-2001)

♥ 000851 09/03/2002  
W. R. GRACE & CO. & SUBSIDIARIES  
GRACE CANADA, INC.

Statement 1  
65-0773649

Tax Year Ended 12/31/2001

Form 5471 Page 2 Schedules

Other Income

Description	Functional Currency	U.S. Dollars
OPERATING REVENUE	45,469	29,329
OTHER INCOME	3,805,919	2,454,932
Total	3,851,388	2,484,261

000851 09/03/2002  
 W. R. GRACE & CO. & SUBSIDIARIES  
 GRACE CANADA, INC.

Statement 2  
 65-0773649

Tax Year Ended 12/31/2001

Form 5471 Page 2 Schedules

Other Deductions

Description	Functional Currency	U.S. Dollars
PROFESSIONAL, CORPORATION	687,580	443,510
CHARITABLE DEDUCTIONS	15,527	10,015
ADVERTISING	55,066	35,519
GENERAL STATIONARY AND SU	271,856	175,355
TELEPHONE COMMUNICATIONS	1,400,210	903,177
OPERATING COSTS	5,010,150	3,231,697
UTILITIES	5,391,209	3,477,492
REPAIRS AND MAINTENANCE	2,720,861	1,755,037
INSURANCE	218,286	140,801
SERVICE CHARGES	3,540,795	2,283,919
EXPENSE TRANSFERS	-18,327,569	-11,821,832
OTHER DEDUCTIONS	24,246	15,639
<b>Total</b>	<b>1,008,217</b>	<b>650,329</b>

▼ 000851 09/03/2002  
W. R. GRACE & CO. & SUBSIDIARIES  
GRACE CANADA, INC.

Statement 3  
65-0773649

Tax Year Ended 12/31/2001

Form 5471 Page 3 Schedules

Schedule F, line 4 -- Other Current Assets

Detail Description	Beginning	Ending
OTHER PREPAYMENTS AND OTH CURRENT DEFERRED TAXES	47,375	-67,518 37,783
Total	47,375	-29,735

000851 09/03/2002  
W. R. GRACE & CO. & SUBSIDIARIES  
GRACE CANADA, INC.

Statement 4  
65-0773649

Tax Year Ended 12/31/2001

Form 5471 Page 3 Schedules

Schedule F, line 12 -- Other Assets

Detail Description	Beginning	Ending
DEFERRED CHARGES	2,215,052	2,871,166
Total	2,215,052	2,871,166

000851 09/03/2002  
W. R. GRACE & CO. & SUBSIDIARIES  
GRACE CANADA, INC.

Statement 5  
65-0773649

Tax Year Ended 12/31/2001

Form 5471 Page 3 Schedules

Schedule F, line 15 -- Other Current Liabilities

Detail Description	Beginning	Ending
INCOME TAXES PAYABLE	816,014	188,947
ACCRUED CURRENT LIABILITIES	3,073,727	1,950,700
ACCEPTANCE PAYABLE		-377,666
OTHER CURRENT LIABILITIES		444,985
DEFERRED INCOME		645,372
INTER CORPORATE BAL. WITH		-5,202,150
Total	3,889,741	-2,349,812

000851 09/03/2002  
W. R. GRACE & CO. & SUBSIDIARIES  
GRACE CANADA, INC.

Statement 6  
65-0773649

Tax Year Ended 12/31/2001

Form 5471 Page 3 Schedules

Schedule F, line 17 -- Other Liabilities

Detail Description	Beginning	Ending
NON CURRENT DEFERRED TAX	1,407,255	4,115,552
Total	1,407,255	4,115,552



000833 09/03/2002 W. R. GRACE & CO. & SUBSIDIARIES

W.R. GRACE FINANCE (NRO)

65-0773649

**Form 5471 (Rev. 5-2001)**

**Schedule B U.S. Shareholders of Foreign Corporation** (See the instructions.)

(a) Name, address, and identifying number of shareholder	(b) Description of each class of stock held by shareholder <b>(Note:</b> This description should match the corresponding description entered in Schedule A, Part I, column (a).)	(c) Number of shares held at beginning of annual accounting period	(d) Number of shares held at end of annual accounting period	(e) Pro rata share of subpart F income (enter as a percentage)
*W.R. GRACE & CO. CONN. 7500 GRACE DRIVE COLUMBIA, MD 21044 13-5114230	COMMON	45,000	45,000	
*A WHOLLY OWNED SUBSIDIARY OF W.R GRACE & CO.				
				100

**Schedule C      Income Statement (See the instructions.)**

**Important:** Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for DASTM corporations.

		Functional Currency	U.S. Dollars
INCOME	1a Gross receipts or sales .....	1a	
	b Returns and allowances .....	1b	
	c Subtract line 1b from line 1a .....	1c	0.
	2 Cost of goods sold .....	2	0.
	3 Gross profit (subtract line 2 from line 1c) .....	3	0.
	4 Dividends .....	4	
	5 Interest .....	5	86,268.
	6 Gross rents, royalties, and license fees .....	6	55,646.
	7 Net gain or (loss) on sale of capital assets .....	7	
DEDUCTIONS	8 Other income (attach schedule) .....	8	0.
	9 Total income (add lines 3 through 8) .....	9	86,268.
	10 Compensation not deducted elsewhere .....	10	
	11 Rents, royalties, and license fees .....	11	
	12 Interest .....	12	1,524.
	13 Depreciation not deducted elsewhere .....	13	983.
	14 Depletion .....	14	
	15 Taxes (exclude provision for income, war profits, and excess profits taxes) .....	15	
	16 Other deductions (attach schedule -- exclude provision for income, war profits, and excess profits taxes) .....	16	0.
INCOME	17 Total deductions (add lines 10 through 16) .....	17	1,524.
	18 Net income or (loss) before extraordinary items, prior period adjustments, and the provision for income, war profits, and excess profits taxes (subtract line 17 from line 9) .....	18	84,744.
	19 Extraordinary items and prior period adjustments (see instructions) .....	19	54,663.
	20 Provision for income, war profits, and excess profits taxes (see instructions) .....	20	32,563.
	21 Current year net income or (loss) per books (line 18 plus line 19 minus line 20) .....	21	21,004.

Form 5471 (Rev. 5-2001)

**Schedule E Income, War Profits, and Excess Profits Taxes Paid or Accrued (See instructions.)**

(a) Name of country or U.S. possession	Amount of tax		
	(b) In foreign currency	(c) Conversion rate	(d) In U.S. dollars
1 U.S.			
2 CANADA	30,508.	0.6419300	19,584.
3			
4			
5			
6			
7			
8 Total.....			19,584.

**Schedule F Balance Sheet**

**Important:** Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See the instructions for an exception for DASTM corporations.

Assets	(a) Beginning of annual accounting period	(b) End of annual accounting period
1 Cash .....	1,684,130.	1,607,591.
2a Trade notes and accounts receivable.....	7,017.	
b Less allowance for bad debts.....	( )	( -5,768.)
3 Inventories .....		
4 Other current assets (attach schedule).....	0.	0.
5 Loans to stockholders and other related persons.....	0.	
6 Investment in subsidiaries (attach schedule) .....		
7 Other investments (attach schedule) .....	0.	0.
8a Buildings and other depreciable assets .....		
b Less accumulated depreciation .....	( )	( )
9a Depletable assets.....		
b Less accumulated depletion.....	( )	( )
10 Land (net of any amortization).....		
11 Intangible assets:		
a Goodwill.....		
b Organization costs.....		
c Patents, trademarks, and other intangible assets.....		
d Less accumulated amortization for lines 11a, b, and c.....		
12 Other assets (attach schedule).....	0.	0.
13 Total assets .....	1,691,147.	1,613,359.
Liabilities and Stockholders' Equity		
14 Accounts payable.....		
15 Other current liabilities (attach schedule).....	SEE STATEMENT 1	-10,620.
16 Loans from stockholders and other related persons.....	-144,647.	-133,296.
17 Other liabilities (attach schedule) .....	0.	0.
18 Capital stock:		
a Preferred stock.....		
b Common stock.....	1,588,800.	1,499,712.
19 Paid-in or capital surplus (attach reconciliation).....		0.
20 Retained earnings .....	233,211.	257,563.
21 Less cost of treasury stock.....	( )	( )
22 Total liabilities and stockholders' equity .....	1,691,147.	1,613,359.

Form 5471 (Rev. 5-2001)

**Schedule G Other Information**

Yes No

- 1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in a foreign partnership? .....    
 If "Yes," see the instructions for required attachment.
- 2 During the tax year, did the foreign corporation own an interest in any trust? .....
- 3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners under Regulations sections 301.7701-2 and 301.7701-3? .....    
 If "Yes," attach a statement listing the name, country under whose laws the entity was organized, and EIN (if any) of each entity.

**Schedule H Current Earnings and Profits** (See the instructions.)

Important: Enter the amounts on lines 1 through 5c in functional currency.

1 Current year net income or (loss) per foreign books of account.....	1	52,181.
2 Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):		
a Capital gains or losses .....		
b Depreciation and amortization .....		
c Depletion .....		
d Investment or incentive allowance .....		
e Charges to statutory reserves .....		
f Inventory adjustments .....		
g Taxes .....	2,055.	
h Other (attach schedule).....	0.	0.
3 Total net additions .....	2,055.	0.
4 Total net subtractions.....		
5a Current earnings and profits (line 1 plus line 3 minus line 4) .....	5a	54,236.
b DASTM gain or (loss) for foreign corporations that use DASTM (see instructions) .....	5b	
c Combine lines 5a and 5b.....	5c	54,236.
d Current earnings and profits in U.S. dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations) (see instructions).....	5d	34,984.

Enter exchange rate used for line 5d ► 0.6450300

**Schedule I Summary of Shareholder's Income From Foreign Corporation** (See the instructions.)

1 Subpart F income (line 40b, Worksheet A in the instructions) .....	1	
2 Earnings invested in U.S. property (line 17, Worksheet B in the instructions).....	2	
3 Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions).....	3	
4 Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions) .....	4	
5 Factoring income .....	5	
6 Total of lines 1 through 5. Enter here and on your income tax return. See instructions .....	6	0.
7 Dividends received (translated at spot rate on payment date under section 989(b)(1)) .....	7	
8 Exchange gain or (loss) on a distribution of previously taxed income.....	8	

Yes No

- Was any income of the foreign corporation blocked? .....
- Did any such income become unblocked during the tax year (see section 964(b))? .....

If the answer to either question is "Yes," attach an explanation.